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SUBJECT: U.S.-EU POLITICAL DIRECTORS LUNCH:
RUSSIA, AFGHANISTAN/PAKISTAN, BELARUS

Classified By: EUR A/S DANIEL FRIED. REASONS 1.4 (B) AND (D).

¶1. (C) Summary: Assistant Secretary Dan Fried's January 9 working luncheon with EU Political Directors in Prague focused on Russia, Afghanistan/Pakistan, and briefly Belarus.

On Russia, there were useful exchanges on the gas dispute with Ukraine, the Georgia situation, and the Medvedev security proposal. On Afghanistan/Pakistan, interlocutors anticipated the April NATO Summit as a key juncture in the way ahead and stressed the need for a regional approach. On Belarus, a convergence in U.S. and EU policy was noted. End Summary.

Russia

¶2. (C) Czech Political Director Martin Povejsil touched briefly on the ongoing gas dispute (which had been the subject of intense exchanges with the USG). He noted differences in the way this dispute has unfolded as compared to the 2006 gas cut-off, the EU's general orientation that Russian actions had made this more than a commercial dispute, and the Czech Presidency's active involvement. He said even if the dispute were resolved today, it would take "a few days" for gas to reach the rest of Europe. Later in the discussion, Povejsil assessed Moscow's motivations in the crisis to include a desire to promote direct pipeline links to Europe that circumvent "difficult" transit countries, to place Ukraine in a bad light, and to compensate for falling revenues.

¶3. (C) Turning to the Georgia situation, Povejsil said the Czechs would continue French Presidency efforts. Key issues ahead include securing concrete results from the next Geneva meeting, dealing with the mid-February UNOMIG roll-over decision, establishing an incident mechanism, and gaining access to the separatist territories. On the latter, he expressed concern over the Russia-blocked OSCE mission mandate.

¶4. (C) On EU relations with Russia generally, Povejsil said the EU was in a period of reassessment. The EU had decided to resume Partnership and Cooperation Agreement negotiations, but this decision should not be seen as a return to business as usual. The Russians will likely press the Medvedev proposal, so the EU and NATO should continue internal discussions to prepare our response. Existing European security structures are not broken; we should prepare our redlines and be ready to ask tough questions. There is no intention of developing an alternative proposal.

¶5. (C) Assistant Secretary Fried set the tone of his remarks by noting that the Russia of today ("Putin's" Russia) should not be considered Russia's end state, even in the short run. Moscow's authoritarianism at home and revanchism in its

neighborhood is undisputed, but is also partly a function of energy wealth, which is now under question. The official Russian narrative of a "return" to greatness under Putin may not withstand economic stresses if energy prices remain at lower levels. Demonstrations in Russia, some pointedly anti-Putin, are cropping up. While it is early to say, the implicit social contract (prosperity in exchange for social acceptance of authoritarian rule) may come under stress. On the Russia-Ukraine gas crisis, it is important to maintain solidarity with those European countries hardest hit by the dispute, whose consequences are more severe than past crises and for which both sides are at fault. The Czech Presidency and Commission deserve praise for their even-handedness in dealing with the situation. The longer term answer is diversification of energy sources and routes, along with other measures such as LNG development and greater interconnectivity.

¶6. (C) On Georgia, A/S Fried said the Geneva process is a useful, if frustrating, exercise; hats off to EU Special Envoy Pierre Morel for leading the effort. There will be no early resolution to the division of Georgia. Russia's recognition of the breakaway territories is unacceptable, but we have learned to live with unacceptable situations for very long periods. Our long term strategy should be to support Georgia's sovereignty and help build its democratic institutions. We should isolate the breakaway territories politically and apply a combination of carrots and sticks, the latter to include selected financial and visa restrictions on leaders. Fried encouraged continued efforts to salvage the OSCE mission, noting that Greek efforts seemed creative and useful. He noted that the Secretary would sign the U.S.-Georgia Charter that day in Washington; we had previously concluded a similar agreement with Ukraine. The purpose was to show support, bolster bilateral relations, reaffirm non-use of force, and promote democracy.

¶7. (C) On the Medvedev security proposal, A/S Fried agreed that the Russian initiative would not go away and noted the irony of Moscow's offering suggestions to improve European security when it is busy tearing down the existing structure.

Referring to the OSCE Ministerial discussion in Helsinki, Fried noted the importance of security rooted in values, which is not part of the Russian approach, but is a key redline for us and has been since the Helsinki Final Act in ¶1975. He urged that we not turn back from that principle and continue to ask tough questions about the Russian approach. It is a questionable policy for Russia to create a Russian citizenry beyond its borders by issuing people Russian passports, then vow to defend these people, he added. On Russian relations more generally, it is important to pursue positive elements in the relationship, for example as demonstrated in the Bush-Putin Sochi accord. The United States wants to work with Russia on issues like counterterrorism, piracy, Afghanistan, but we should not let this cooperation separate us from our values. He concluded by urging transatlantic solidarity in the face of divisive Russian tactics and by applauding the Czech Presidency for its excellent performance so far.

¶8. (C) Returning to the gas issue, French Political Director Araud said European dependence on Russian gas will only increase in the years ahead; that is the reality for the foreseeable future. A/S Fried countered that we need a strategy to mitigate that reality. Does anyone still believe that Russia is a reliable partner on energy supplies? Dependency is not inevitable in the future, though it may take years of planning and determined action to mitigate. German Political Director Stanzel acknowledged that Russia could no longer be considered a reliable energy supplier. But even with Nabucco and LNG, Russia will remain Europe's indispensable energy partner but there is no need for it to remain unreliable. We need to engage Russia and, by doing so, ensure its greater cooperation. A/S Fried responded that engagement will be useful but it is not a sufficient strategy. Estonia Political Director Kull declared himself less optimistic than his German colleague on changing Russian behavior and said the main problem is the EU's own energy

policy.

¶ 19. (C) Latvian Political Director Ustubs noted upcoming challenges in the Eastern neighborhood, including elections in Moldova and opportunities in Belarus, and called for EU leadership, together with close cooperation with the United States. Italian Political Director De Bernadin said the Geneva process has been a disappointment and wondered what Russia sought to achieve in Georgia. A/S Fried said Russian objectives are unclear and Moscow is not speaking with one voice. Some in the MFA seem to want to consolidate the Russian position and stabilize the situation on the ground, but Russian actions do not always support this course. Others in the Russian Government may wish to keep the pot boiling, with a view to undermining Georgian sovereignty and overthrowing Saakashvili, perhaps even by sparking another war. Wisely, Georgia seems resigned to the status quo for the longer term and we are willing to work with Russia to the extent that our objectives coincide. But we do not accept that international missions should be pushed out of the breakaway territories.

Afghanistan/Pakistan

¶ 10. (C) Povejsil (Czech) said the April NATO Summit would be a crucial moment for the way ahead on Afghanistan. Europe will do its best to be responsive to the requirements for success there. EU Political Directors had discussed Afghanistan earlier in the day and recommitted to fuller implementation of the agreed strategy. 2009 should see a turnaround in the situation, which must be approached in a regional context. There would be an Afghanistan-EU troika meeting on January 28. And, there were plans to beef up the EU's police mission in Afghanistan. He (and later Danish Political Director Damsgaard) noted the new Interior Minister and prospects for a more effective police mission.

¶ 11. (C) Araud (France) said it was understood that the U.S. would look to Europe to "match" increased U.S. efforts on Afghanistan at the NATO Summit. But, there must be a full, open discussion of our strategy, goals, and benchmarks in Afghanistan; this would be required to help governments make decisions that will be difficult and unpopular at home. German Political Director Stanzel, referring explicitly to existing agreed documents, said our goal is to remove any threat that Afghanistan will again serve as a haven or launching pad for terrorism. This will require a greater effort on our part and better governance from Kabul. Council Secretariat Political Director-equivalent Robert Cooper called for more effectiveness in building the Afghanistan state, arguing that our strategy's weakness is the Afghanistan government. Afghanistanization won't work if the authorities lack credibility and popular support.

¶ 12. (C) On Pakistan, Povejsil (Czech) referred to the EU's December 2008 conclusions calling for a more systematic focus on relations with Islamabad to infuse more economic and political content. There would be no solution in Afghanistan without addressing Pakistan issues. He said the Czech Presidency wants to organize an EU-Pakistan ministerial meeting, as well as a summit. Commission Political Director Karel Kovanda noted the importance of supporting Zadari, especially given the unattractive alternatives, and cited Commission assistance to Pakistan. Cooper (Council) said if "Afghanistan is the tip, Pakistan is the iceberg" -- a massive challenge for the years ahead. Our efforts are "nowhere near the dimensions needed." Nor could we ignore the Pakistan-India angle.

¶ 13. (C) A/S Fried cited President-elect Obama's position on intensifying the Afghanistan effort and noted existing plans to increase U.S. troop levels by 10,000 or more. The new Administration can be expected to review the Afghanistan strategy in the run-up to the NATO Summit; it will undoubtedly go beyond a military strategy to include regional, political, and governance dimensions. Our goals

should be appropriately modest. Obama will indeed want to see increased Allied contributions by the time of the NATO Summit. Europe must ask itself if the current level of commitment is sufficient. Fried agreed that Pakistan is critically important in the equation and faces serious economic challenges. He concluded by congratulating the new Danish head of EUPOL for his work and agreed on the need to improve governance.

Belarus

¶14. (C) Under "Any Other Business," A/S Fried recounted that the Government of Belarus reached out to us after the Russian incursion into Georgia. Our terms for rapprochement were release of political prisoners, who were in fact set free. Like the EU, we are willing to engage with the Lukashenko regime but recommend a go-carefully approach that avoids embracing Belarus too soon or without reciprocal steps by Minsk. Povejsil (Czech) welcomed the shift in U.S. policy, which he characterized as an alignment with EU policy. Since the October 2008 Ministers Council, he explained, the EU has made a serious effort to reach out to Belarus and has renewed that effort under the new Eastern Partnership initiative.

¶15. (C) In closing, Povejsil expressed on behalf of all EU Political Directors his appreciation to A/S Fried and his staff for their collaboration over the years, which has benefited the transatlantic community and indeed the world.

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